SENATOR E.J. PIPKIN
36th Legislative District
Caroline, Cecil, Kent and
Queen Anne's Counties

Finance Committee

Annapolis Office
416 James Senate Office Building
Annapolis, Maryland 21401-1991
410-841-3639 · 301-858-3639
Fax 410-841-3762 · 301-858-3762
1-800-492-7122 *Ext* 3639
E-Mail ej_pipkin@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401-1991

March 15, 2004

MEMORANDUM

TO: Honorable Robert L. Ehrlich, Jr., Governor
Honorable Thomas V. Mike Miller, Jr., President of the Senate
Honorable Michael E. Busch, Speaker of the House
Honorable Ulysses S. Currie, Chair, Senate Budget and Taxation Committee
Honorable Dereck E. Davis, Chair, House Economic Matters Committee
Honorable George C. Edwards, Chair, Western Maryland Delegation
Honorable John F. Wood, Jr., Chair, Southern Maryland Delegation
Honorable D. Page Elmore, Chair, Eastern Shore Delegation
Honorable Barry Glassman, Chair, Harford County Delegation

FROM: Senator E.J. Pipkin, Chairman, Task Force on Broadband Communications Deployment in Underserved Rural Areas

SUBJECT: Interim Report of the Task Force on Broadband Communications Deployment in Underserved Rural Areas

The Task Force is pleased to submit this Interim Report that refines the goals, recommendations, and progress of the December 1, 2003 preliminary report to promote the deployment of broadband services in rural Maryland. In addition to three meetings convened in the Fall of 2003, in preparation of the first report, the Task Force met again in Annapolis on January 6, 2004. Substantial progress has been made and the Task Force looks forward to a productive and active year that will build upon our early wins detailed in the following pages.

We look forward to your comments and questions.

Cc: Senate Budget & Taxation Committee Members
House Economic Matters Committee Members

Task Force for the Deployment of Broadband in Rural Maryland

Senator E. J. Pipkin, Chairman

March 15, 2004
Interim Report

(in lieu of January 15, 2004 report)

Task Force for the Deployment of Broadband in Rural Maryland

March 15, 2004

(in lieu of January 15, 2004 report)

Interim Report

Table of Contents **Page Number**

Introduction - The State of Broadband Access in Rural Maryland, January 15, 2004

What is Broadband? The U.S. Federal Communications Commission (FCC) states, "broadband refers most commonly to a new generation of high-speed transmission services, which allows users to access the Internet and Internet-related services at significantly higher speeds than traditional phone modems. It has the potential technical capability to meet consumers' broad communication, entertainment, information, and commercial needs and desires (www.fcc.gov)." The FCC uses the term "advanced telecommunications capability [broadband]" to describe services and facilities with an upstream (customer-to-provider) and downstream (provider-to-customer) transmission speed exceeding 200 kilobits per second (kbps). The FCC uses the term "high-speed" for those services with speeds over 200 kbps in at least one direction. (Please refer to Appendix 1 for a brief overview of the most the commonly referred to broadband services.)

According to the most recent FCC data (as of June 30, 2003) the State of Maryland had an overall increase of 10% in the availability of digital subscriber lines (DSL); a 27% increase in the availability of cable modem lines; and a 9% increase in the availability of other lines (fiber, satellite, fixed wireless, etc.) in the first six months of 2003. This compares with national increases of 19% for DSL, 20% for cable modem, and 29% for other services during the same time period. A simple analysis of this data should concern policymakers across the State since the only technology that showed significant improvement, especially when compared to national averages, was cable modem. An important technology, but one most commonly associated with residential customers. Cable modem access is not the first choice for most business users.

Recent analysis by this Task Force, combined with the announcement of new offerings from existing communications providers, indicates that rural Maryland businesses and residents do have greater and more diverse access to broadband opportunities than they did a year ago. Much work remains to be done in rural Maryland to ensure that its businesses and citizenry have access to the communication tools required to compete in an information economy if they are to prosper along with their more populous neighbors along the I-95 corridor. The following overview should be seen as a working document that serves as the foundation for future Task Force efforts to formulate a definitive policy for the deployment of broadband services in rural Maryland.

In light of the report on the "Development of Advanced Technology Business," issued by the Pappas Commission on January 12th, this Task Force reiterates that our primary goal is to facilitate the removal of a potential economic disadvantage for rural communities that on its own may not guarantee increased prosperity. However, without at least a baseline of robust high-speed communication services, rural Maryland will not only be unable to compete in an advanced technology economy, but may become further separated from its urban counterparts as the State focuses on attracting and developing technology-intensive businesses and services. Amongst other recommendations, the January 12th report encourages the State to *promote investment in advanced technology equipment and construction materials* in an effort to make Maryland more competitive.

I. Purpose

The Task Force seeks to facilitate improved access to and the increased usage of high-speed communications in all underserved rural areas of the State to ensure that these regions can compete in an information-driven economy. The Task Force encourages local and State officials to see broadband deployment not as a luxury, but as a basic utility, which must be incorporated into a broad strategic vision for economic development to succeed.

The Task Force convened its first meeting on September 18th in Annapolis and has held three subsequent meetings held on October 9th, November 5th, and January 6th (see Appendix 4), to review the:

- current regulatory climate in Maryland;
- role of existing public network assets, e.g. Network Maryland;
- existing data from previous studies on broadband access; and
- new research, infrastructure analysis, and best practices from current studies that were recently concluded.

The Task Force is pleased to report that much progress has already been made. The following "early wins" are an aggregation of recent efforts from all Task Force participants.

II. Progress and Action Steps

1) Verizon obtained approval for FCC tariffs that prices very high bandwidth Asynchronous Transfer Mode (ATM) service at the same rates statewide by removing the mileage charges usually incurred by rural businesses because of their distances between points-of-presence (POP). This is a two-year experimental tariff and is available to all existing and new businesses. It is set to expire on December 31, 2005
   - Verizon should develop a marketing plan to make economic development officials in counties and municipalities aware of this option, and create a quarterly reporting mechanism for the Task Force to analyze opportunities and results.
   - The Task Force understands also the complexity of ATM service and the need for skilled technicians to install, operate, and manage this technology.

2) Verizon has accelerated the roll-out of its Digital Subscriber Line (DSL) service in rural Maryland, which has greatly improved broadband access opportunities for small businesses (1-20 employees). However, DSL is only one piece of a rural broadband deployment solution. The technology cannot provide service to all communities and the technology is not a practical solution for larger companies. Verizon should be commended for taking an aggressive stance on its promise to expand DSL services in rural Maryland. An announcement of new service in 26 Eastern Shore communities was made on October 31, 2003 and Western Maryland can expect a similar roll-out in February 2004.
   - The Task Force will continue to work with, and seek ways to incentivize Verizon and other telecommunications providers, as well as cable providers, to ensure that all rural areas of Maryland have access to an array of competitive broadband services.

3) The Cable Telecommunication Association of MD, DE, and DC has worked closely with the Task Force. Cable modem access is now available in most areas of the State of Maryland. As networks have been upgraded and rebuilt, the industry has expanded both cable service and high-speed modem service availability in many rural areas and is committed to continuing the expansion of its service.
   - Cable modem service is the number one broadband choice for residential customers in Maryland and nationwide, but it remains a secondary service for most business users. Concerns about security, bandwidth limitations, and mission-critical network support have kept this technology from widespread adoption amongst business customers.

4) The Department of Budget and Management (DBM) has committed to build an OC-3/156MB (equivalent to over 100 T-1 lines at 1.5MB) microwave system that connects the nine eastern shore county seats with the western shore. This system will provide Network Maryland services to counties, municipalities and State agencies. The system will be completed by late spring 2004. The network services are Internet, ATM, and State Intranet.
   - DBM, in conjunction with the counties, must formalize and detail the method of interconnection from the towers to the town centers in Elkton, Centerville, Denton, Chestertown, Easton, Cambridge, Snow Hill, Salisbury and Princes Anne. Each location may require a different solution.

5) The Department of Budget and Management is determining if Network Maryland can be made available for telemedicine in rural Maryland and to support State backed incubator business. Telemedicine has the potential to improve the quality of life for rural residents, and often one of the large expenses for a start up business is broadband communications. DBM has filed with the Maryland Public Service Commission (PSC) for approval to offer and bill for Network Maryland services to hospitals for telemedicine, and to DBED and TEDCO for use by incubator business they are sponsoring. It would be DBED and TEDCO's determination if the service would then be provided as a grant, at a discount or as a pass through charge. The PSC has not yet scheduled hearings on either request.
   - DBM is desirous of using Network Maryland, when appropriate, as a means of providing low cost broadband services to State supported business incubators, and newly established or relocating businesses in rural Maryland. DBM does not anticipate or seek to offer services as a common carrier. For these three circumstances the Internet service offering would be provided to TEDCO and/or DBED who in turn could resell discounted Network Maryland service or possibly provide the service as a grant.
   - TEDCO and DBED, in conjunction with the Task Force, should determine the feasibility of executing this program.
   - The telemedicine service could be available in Hagerstown and Cumberland in the 3rd quarter of calendar year 2004. It could be available in the eastern counties by the 4th quarter of calendar year 2004. (Easton Memorial could be much earlier.)
     i. DBM, Department of Health and Mental Hygiene, hospital executives, and other interested parties, should determine the feasibility and interest level of the potential system during the 1st quarter of 2004. If all parties agree that there is need for such service, and the costs are acceptable, then the method of interconnection would need to be defined.

6) After a competitive bid process, the Tri-County Council for Western Maryland, in partnership with TEDCO, the Appalachian Regional Commission (ARC), and the U.S. Economic Development Administration (EDA), contracted TLA Associates (www.tla.com) to conduct: a comprehensive mail survey of all businesses of at least 10 employees in the region; face-to-face interviews with local businesses to assess demand; best practices for broadband deployment in rural America; develop feasible business cases for providers; and deliver a final report with executable solutions.

7) In addition, the Tri-County Council for the Lower Eastern Shore and the Mid-Shore Regional Council in partnership with the counties of Queen Anne, Kent, and Cecil, DBED, and TEDCO, contracted TLA Associates to conduct a comprehensive mail survey of all businesses of at least 10 employees in the region; face-to-face interviews with local businesses to assess demand; best practices for broadband deployment in rural America; develop feasible business cases for providers; and deliver a final report with executable solutions.
   - Please note that both TLA reports were completed in January 2004, are now under review, and will be publicly released in late March 2004.

8) The Tri-County Council for Southern Maryland, in partnership with Charles County Tech Council, Calvert County Tech Council, Calvert County Economic Development Commission, Calvert, Charles, and St. Mary's Chambers of Commerce, the Patuxent Partnership, and TEDCO, has conducted a broadband demand-aggregation survey and analysis of all businesses in the region.
   - The Southern Maryland Council is now studying the feasibility of creating a Co-op in partnership with SMECO.

9) The Task Force will continue to review all new information that is provided via the Tri-County Councils and their ongoing efforts. The Task Force will seek to incorporate all relevant findings and proposals into its recommendations where applicable.

10) The Task Force provides public access to all of its proceedings at http://www.marylandtedco.org/Post_eReadiness/BBTF_introduction.html .

III. Working Framework for the Development of Task Force Recommendations

1. The Task Force will work to develop a multi-year strategy for the deployment of broadband communications in rural areas that complements existing private and public sector efforts. To measure the progress that is being made towards rural broadband communications deployment and utilization, the Task Force will develop specific metrics that can be incorporated into the Rural Maryland Council's Rural Progress Index.

2. The Task Force seeks to ensure that rural Maryland has a voice before the Maryland PSC.

3. Given the many demands on limited public resources, the Task Force always seeks to give first priority to market-driven, technology-neutral recommendations that will not require public funding.

4. The Task Force understands that alternative models of deployment, such as non-profit cooperatives and municipal-owned networks, may be necessary where private investments are unattainable. The Task Force will encourage these initiatives on a case-by-case basis and as a solution of last resort.

5. The Task Force will encourage private sector proposals to DBM's open Request for Proposal (RFP) #2017-Resource. This is an open resource sharing RFP. It expires in November 2005. It has been in place since 2000. The intent is to make State resources, such as spare capacity on fiber optic routes, space on towers, space on buildings and highway rights of way available in exchange for the State receiving a resource of similar value. For example, the State has spare capacity on the fiber optic route between Baltimore and Cumberland. If a private sector entity wanted to exchange capacity on a system they have between Easton and Ocean City on the Eastern Shore, then we would use this contract. In order to execute an agreement, a Memorandum of Understanding would be put in place for the providing parties. For arrangements above $200K, Board of Public Works approval is required. Much of the Network Maryland fiber backbone was obtained in this manner. Most recently, DBM obtained fiber routes along Route I-270 with this method. DBM is interested in expanding the use of this contract prior to its expiration. There is potential for the State to increase its infrastructure with minimal additional capital investment. From the RFP:

    a. *The State of Maryland is soliciting proposals to offer the use of its existing communications infrastructure and real estate, highways, roads, bridges and other rights of way and assets (hereinafter called "rights-of-way") for the mutual benefit of the people of the State of Maryland. The State desires to have a high performance communications system and/or infrastructure installed along these rights-of-way. The State wishes to receive communications equipment, services, or cash in exchange for non-exclusive use of these rights-of-way, space on existing facilities and/or real estate to build new facilities. Additionally, the State wishes to receive revenue by sharing in any returns gained from excess capacity built into the "system"; e.g., additional bandwidth, spare fibers and/or inner ducts, etc.*

6. The Task Force will continue to monitor all existing public assets in the State, including Network Maryland, UMATS, BERNET, and SAILOR to ensure that these networks are providing the maximum return on taxpayer investment, and that the networks are being utilized by as many end-users as possible given the limitations of technology, government regulation and access to capital.
    a. At the January 6, 2004 Task Force meeting a motion was made to explore the feasibility of aggregating demand for private sector and public sector rural broadband networks to create peering relationships in their respective points of presence. This may include the use of networkMaryland, SAILOR, AllCoNet2, UMATS and Internet2. As an example, the Baltimore Education Research Network (BERnet) is a model that may be used in rural regions.

7. The Task Force has examined existing roadblocks to deployment in the State, including:
    a. Lack of available capital for investment (public and private);
    b. Regulatory uncertainties at the federal level (Federal Communications Commission);and
    c. Local rights-of-way, zoning, and planning.

   The Task Force will continue to monitor these issues and any others of direct relevance that may impede deployment of services to rural areas.

8. The Task Force seeks to assist, facilitate, and encourage local and regional initiatives (public and private) that aggressively seek federal funding opportunities to finance new deployments. A few examples include, but are not limited to: U.S. Department of Agriculture – Rural Utilities Service; U.S. Department of Commerce – Economic Development Administration and National Telecommunications and Information Administration; U.S. Department of Homeland Security; and the U.S. Department of Education.
    a. The Task Force is aware that certain provisions in some of these funding opportunities limit their availability, e.g., population and residential access.

9. The Task Force will organize an Ad Hoc financial committee, consisting of Task Force members and members of the Panel of Advisors to the Task Force, to review and assess recommendations on taxation, funding, procurement, and other possible incentives to speed deployment. Models adopted in other States that are under review, include:
    a. Michigan
    b. North Carolina
    c. Virginia

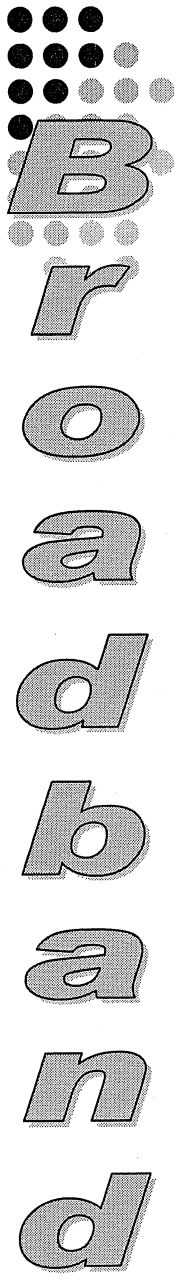
10. The Task Force will work closely with rural Regional Councils to develop low-cost demand side promotional initiatives that encourage businesses to learn more about the benefits of high-speed networks and to utilize broadband to improve their productivity and increase their exposure in the global marketplace.
    a. Additional research conducted by TLA Associates and TEDCO has revealed that competitive T-1 pricing does exist in most of rural Maryland today. However, access to this optimal pricing is not well known and the Task Force believes that local and regional economic development officials can play a critical role in ensuring that businesses are receiving the most competitive pricing available. See Appendix 3 for more details.

V. Appendices

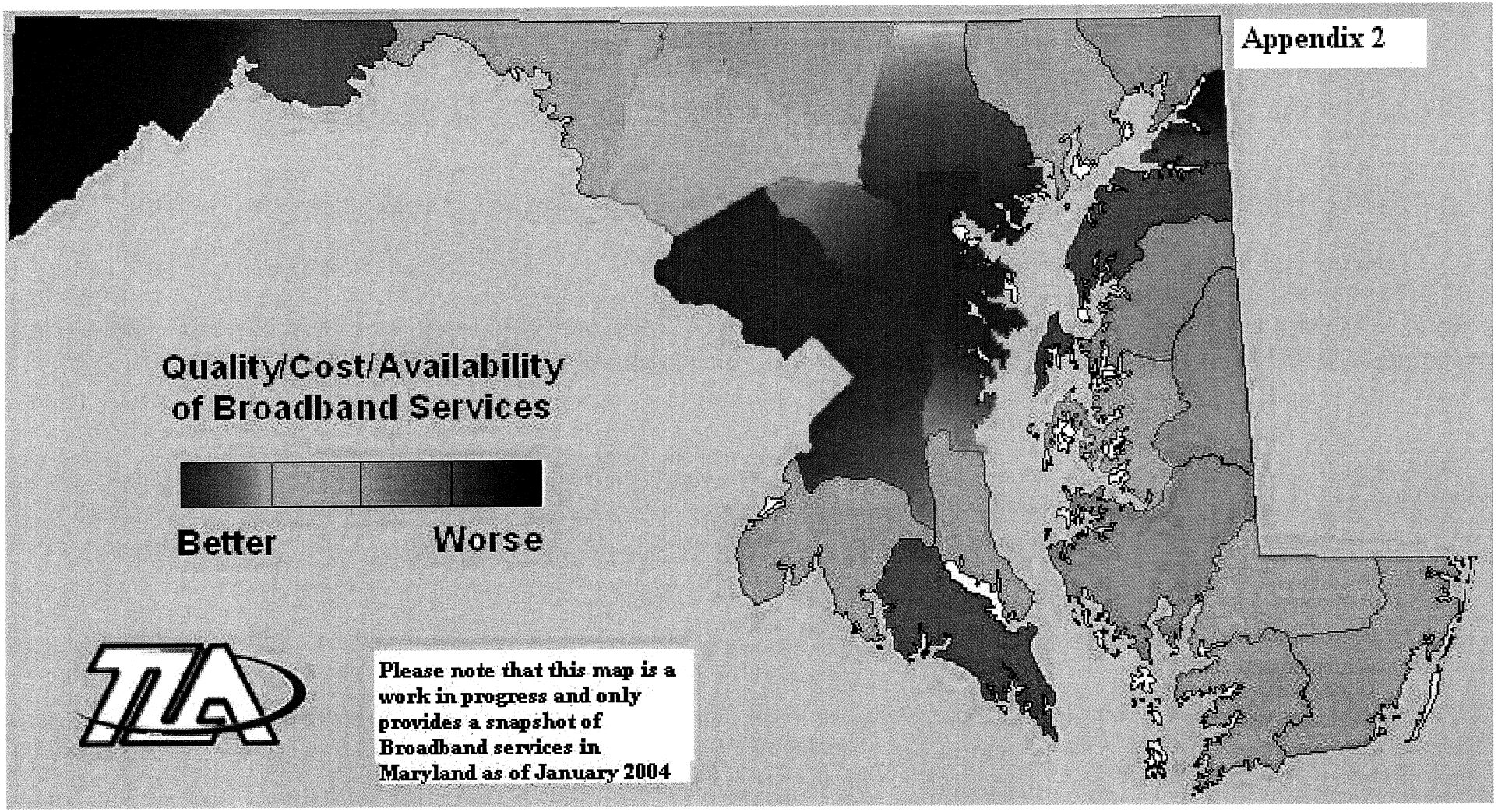
Please see attached.

Business Services	Bandwidth	Usage	Hardware	Price/month
T – 1	64Kbps - 1.5 Mb/s	Dedicated access, VPN, static IP, 20 or more users	CSU/DSU - $500+	$450 - $1000 per month + mileage
T – 3	3.0 – 45 Mb/s	Web hosting, secure connectivity, medical imaging, Static IP, Dedicated Access	MUX $700 - $2200	$3500 per month
Wireless: Wi – Fi (802.11)	11 Mb/s (1.5 to 108Mb/s)	Dynamic IP, multiple users, shared bandwidth, heavy Internet traffic	Base station - $175	$45 – 400 per month
Wireless Fixed	.5 - 20 Mb/s (Up to 155Mb/s+)	Static IP, Dedicated Access, VPNs, Small to Large Offices	Receiver/Ant. $750	$350 - $3800 per month
Cable Modem	1.5 Mb/s down, 286Kbps Up	Dynamic IP, multiple users, shared bandwidth, heavy Internet traffic, music, video	Modem ~ $100	$100-200 per month plus cable service
DSL	144 kb/s – 1.1 Mb/s	Dynamic IP, multiple users, Dedicated Access, Internet traffic	Modem- $100	$60 - $150 per month
Satellite	500 kb/s	Dynamic IP, Multiple users, Internet traffic	Dish/receiver - $600	$100 per month

DSL	A broadband connection using telephone infrastructure with limited availability due to distance, capacity, and technology. Distance limited to 3 miles from a Central Office.
Cable	A broadband connection using cable television infrastructure with limited availability due to distance, capacity and technology. Must pay for cable service and Internet service.
Wireless	A broadband connection using airwaves, antennas, towers and receivers with limited availability due to distance and technology.
T – 1	Broadband connectivity up to 1.5 Mb/s with wide availability and support, although its greater complexity and expense limits its use in smaller organizations.
T – 3	Broadband connectivity up to 45 Mb/s with wide availability and support, although its greater complexity and expense limits its use in smaller organizations.



APPENDIX 1


Appendix 2
Quality/Cost/Availability of Broadband Services
Better
Worse
Please note that this map is a work in progress and only provides a snapshot of Broadband services in Maryland as of January 2004

Rural Maryland Internet Access T-1 Pricing

Location:	**Cecil County**		**Kent County**		**Queen Anne's County**		**Talbot County**	
Address:	107 North Street Elkton, Maryland		400 High Street Chestertown, Maryland 21620		107 N. Liberty Street Centreville, Maryland 21617		11 North Washington Street Easton, Maryland 21601	
Phone Number:	410-996-5203		(410) 778-7435		(410) 758-4098		(410) 770-8010	
	Monthly	Installation	Monthly	Installation	Monthly	Installation	Monthly	Installation
Carrier A	$1,100	$301	$2,497	$405	$2,241	$405	$1,842	$405
Carrier B	$1,389	$0	$1,556	$0	$1,473	$0	$1,269	$0
Carrier C	$953	$400	$1,133	$400	$1,313	$400	$1,133	$400
Carrier D	$732	$0	$732	$0	$732	$0	$732	$0
Carrier E	$689	$0	$689	$0	$689	$0	$689	$0
Location:	**Caroline County**		**Dorchester County**		**Somerset County**		**Wicomico County**	
Address:	109 Market Street Denton, Maryland 21629		501 Court Lane Cambridge, Maryland 21613		11916 Somerset Avenue Princess Anne, Maryland 21853		Route 50 & Division Street Salisbury, Maryland 21801	
Phone Number:	(410) 479-0660		(410) 228-1700		(410) 651-0320		(410) 548-4801	
	Monthly	Installation	Monthly	Installation	Monthly	Installation	Monthly	Installation
Carrier A	$1,884	$405	$1,670	$405	$1,266	$405	$899	$405
Carrier B	$1,348	$0	$1,273	$0	$1,226	$0	$1,050	$0
Carrier C	$1,133	$400	$1,133	$400	$953	$400	$863	$400
Carrier D	$732	$0	$732	$0	$732	$0	$732	$0
Carrier E	$689	$0	$689	$0	$689	$0	$689	$0
Location:	**Worcester County**		**Garrett County**		**Allegany County**		**Washington County**	
Address:	1 West Market Street Snow Hill, Maryland 21863		203 South Fourth Street Oakland, Maryland 21550		701 Kelly Road Cumberland, Maryland 21502		100 W. Washington Street Hagerstown, Maryland 21740	
Phone Number:	(410) 632-1194		(301) 334-8970		(301) 777-2438		(240) 313-2210	
	Monthly	Installation	Monthly	Installation	Monthly	Installation	Monthly	Installation
Carrier A	$1,385	$405	$1,991	$405	$1,526	$405	$700	$405
Carrier B	$1,226	$0	$2,368	$400	$1,803	$400	$750	$400
Carrier C	$953	$400	$1,551	$0	$1,227	$0	$1,121	$0
Carrier D	$732	$0	$3,071	$0	$733	$0	$733	$0
Carrier E	$689	$0	$639	$0	$639	$0	$639	$0

Pricing as of: January 5, 2004

Courtesy of NetGain Communications, Inc. and TLA Associates

APPENDIX 3

Rural Maryland Internet Access T-1 Pricing

Details of Quotes:

The five quotes (Carriers A - E) were provided by AT&T, MCI, Sprint, Qwest, and ACC, a business unit of AT&T.
All carriers were asked to bid on the same service - full T-1 Internet access, 256 IP Addresses, full SMTP email support, including all telco and port charges and fees.
NetGain Communications, Inc. (www.netgaincom.com) provided the time and effort to research and prepare these prices.

Caveats:

In most cases, knowledge of and/or access to these prices is only available due to the volume of an agent's business and their extensive daily interactions with carriers. Certain of these rates can only be achieved through the use of an agent.
Individual businesses, with under $10,000 a month in volume and term contracts, may not receive these rates when requesting quotes from their primary telecommunications carrier.
Standard port rates to small and mid-sized businesses will typically be 20-50% higher.
These rates reflect a "best case scenario" pricing for businesses without hundred-thousand dollar carrier contracts.
Some of these rates reflect one-time promotion(s), which could be terminated at any time.

What is an Agent?

An agent, in telecommunications terms, is a company that represents the products of a set of vendors.
Advanced telecommunications agents (like NetGain) are also referred to as professional services agencies.
Agents typically represent and extend the sales and marketing arms of carriers, and are enabled to do so with special pricing.
Many agents also provide complete support through the design and installation of services, acting as the client's advocate.
Clients are still billed directly by the vendor and can work with the vendor to resolve any problems or issues.
Some major agents, like NetGain, represent over 50 carriers, and therefore become an objective consultative resource.
Agents, through their knowledge of options and promotions, are able to obtain best-possible service and pricing alternatives for their clients.
Agents are compensated directly from the carriers, so are no additional cost to the consumer.
Many small businesses do not know about the existence of agents, and often rely exclusively on their carrier's direct customer service lines.

Compare Monthly recurring charges to Montgomery County - Rockville Government offices:

Carrier A	$700
Carrier B	$750
Carrier C	$1,120
Carrier D	$733
Carrier E	$639

Pricing as of: January 5, 2004

Courtesy of NetGain Communications, Inc. and TLA Associates

Tuesday, January 6, 2004

Fourth Meeting of the Task Force for the Deployment of Broadband in Rural Maryland

Presidential Conference Center West, Room 1
Miller Senate Office Building
Annapolis, MD

Meeting Agenda

9:30 AM Welcome and Introduction of New Members

9:45 AM Updates and New Information

1. Network Maryland Update
   - Ellis Kitchen, CIO, DBM
2. Cable Modem Service in Maryland, Updated Map
   - Wayne O'Dell, President, Cable Telecommunications Association of MD, DE, and DC
3. New Leadership @ Verizon
   - Paul G. Wood, Director of Public Affairs, Verizon Maryland
4. Pricing T-1 Service in Rural Maryland: A Basic Overview
   - David Houle, TEDCO
5. Review and Commentary of the December 1, 2003 Report
   - AdHoc Financial Committee
   - Other Next Steps
6. Next Reporting Deadline -- January 15, 2004
   Text from the legislation reads: on or before January 15, 2004, the Task Force shall provide an interim report and recommendations for a statewide broadband communication plan focusing on private sector access.

Noon END of MEETING

Wednesday, November 5, 2003

Third Meeting of the Task Force for the Deployment of Broadband in Rural Maryland

Presidential Conference Center East, Room 1
Miller Senate Office Building
Annapolis, MD

Meeting Agenda

9:30 AM	**Welcome and Review of October 9th Meeting**
9:45 AM	**Southern Maryland: Aggregating Demand** Susan Ockert, Economic Development Officer, TCCSMD *Q&A*
10:30 AM	**Allconet: Rural Connectivity and Public/Private Networks** Jeff Blank, Supervisor, Allconet *Q&A*
11:00 AM	**Break**
11:15 AM	**Discussion: Role of Panel of Advisors to the Task Force**
11:30 AM	**Review of Recommendations**
12:15 PM	**Lunch and Break**
12:30 PM	**Task Force Priorities and Outline of December 1st Deliverable**
1:25 PM	**Wrap-up and Next Steps**
1:30 PM	END of MEETING

Thursday, October 9, 2003

Second Meeting of the Task Force for the Deployment of Broadband in Rural Maryland

Presidential Conference Center East, Room 1
Miller Senate Office Building
Annapolis, MD

Meeting Agenda

9:30 AM **Welcome and Review of September 18th Meeting**

9:45 AM **Understanding SAILOR**
Stuart Ragland, Sailor Project Manager, Enoch Pratt Free Library
Q&A

10:00 AM **The Current Regulatory Environment in Maryland**
Carlos Candelario, Assistant Director, Telecommunications Division
Maryland Public Service Commission
Sean Looney, Vice President for Government Affairs, Verizon
John Conwell, Legal and Regulatory Counsel, Cable
Telecommunications Association of Maryland, Delaware and DC
Chris Camut, Vice President, Accelacom
Q&A

11:00 AM **Break**

11:10 AM **Strategic Findings: Over the Mountains and Across the Bay**
Michael Beach, Principal, and Chuck Manto, Senior IT Strategist,
TLA Associates
Q&A

Noon **Southern Maryland: Aggregating Demand**
Susan Ockert, Economic Development Officer, TCCSMD
Q&A

12:30 PM **Lunch and Break**

1:00 PM **Next Steps: The December 1st Reporting Deadline**

1:25 PM **Wrap-up and Next Meeting Preview – NOVEMBER 5, 2003**

1:30 PM END of MEETING

Thursday, September 18, 2003

First Meeting of the Task Force for the Deployment of Broadband in Rural Maryland

Presidential Conference Center East, Room 1
Miller Senate Office Building
Annapolis, MD

Meeting Agenda

9:30 AM Welcome and Introductions

9:45 AM Understanding the Issues & Defining the Mission
- Senator E.J. Pipkin, Task Force Chairman

10:30 AM eReadiness Maryland: An Assessment of our Digital Opportunities
- Renée Winsky, TEDCO
  - Q&A

11:00 AM networkMaryland: Update & Next Steps
- Ellis Kitchen, MD Department of Budget and Management
  - Q&A

11:30 AM Meeting Adjourned due to Hurricane Isabel

APPENDIX 5

"Task Force on Broadband Communications Deployment in Underserved Rural Areas"				
Attendance for 2003-04 Meetings				
Location	9:30 am - 1:30 pm, Miller Senate Office Building, Annapolis	9:30 am - 1:30 pm, Miller Senate Office Building, Annapolis	9:30 am - 1:30 pm, Miller Senate Office Building, Annapolis	9:30 am - 1:30 pm, Miller Senate Office Building, Annapolis
DATE	**Sept. 18**	**Oct. 9**	**Nov. 5**	**Jan. 6, 2004**
Task Force Member & Representation	**Present?**	**Present?**	**Present?**	**Present?**
Del. John Donoghue (West)	no	no - substitute Mary Anne Kuehn	no - substitute Mary Anne Kuehn	no - substitute Mary Anne Kuehn
Del. Sally Jameson (South)	no	yes	yes	yes
Del. Mary Roe Walkup (East)	no	yes	yes	yes
Sen. Donald Munson (West)	yes	yes	yes	yes
Sen. Mac Middleton (South)	no	no - substitute Donna Brown	yes	yes
*Sen. E.J. Pipkin (East)	yes	yes	yes	yes
Jeff Blank, Allconet (West)	no	yes	yes	no
David Howard, College of Southern Maryland (South)	no	yes	yes	yes
Billie Dodge, Washington College (East)	no	no	no	yes
Ellis Kitchen (DBM)	yes	yes	no	yes
Chris Foster (DBED)	yes	yes	no	no
Chairman Ken Schisler (PSC)	no - substitute Tracey Stokes	no - substitute Tracey Stokes	no - Jerry Hughes	no - substitute Tracey Stokes
Renée Winsky (TEDCO)	yes	yes	yes	yes
Stephen McHenry (RMC)	yes	yes	no	yes
Frank Shap, Garrett County Economic Development (TCCWMD)	no	yes	no	yes
Susan Ockert, Tri-County Council for Southern Maryland (TCCSMD)	yes	yes	yes	no- substitute David Jenkins

John General, Chesapeake Bay Regional Technical Center for Excellence (MSRC)	yes	yes	yes	yes
Diana Nolte, Delmarva Tech Support (TCCLES)	yes	yes	yes	yes
Carroll/Frederick Local Gov't Representative - **TBD**	no	no	no	no
John O'Neill, Director of Administration, Harford County	no - substitute Bill Wheeler	no - substitute Bill Wheeler	no - substitute Bill Wheeler	no - substitute Bill Wheeler
*** = Task Force Chairman**				

Broadband Task Force Requirements				
Reporting Deadlines	**December 1, 2003** Preliminary Report and draft plan	**January 15, 2004** Interim Report and Recommendations for Private Sector Access	**December 1, 2004** Progress Report and follow-up Recommendations	**June 30, 2005** Final Report
Review	X			
a. Consider developments and best practices in regions of the country where broadband communications are being deployed in rural communities				
b. Review the broadband networking infrastructure in those areas	X			
c. Review the direct and indirect benefits and costs associated with the networks			X	
Evaluation				
a. Evaluate the resources, infrastructure, and cost structures now in place or available in the various rural regions of the State for developing or obtaining access to broadband communications	X	X		
b. Evaluate the feasibility of using existing or alternative legal mechanisms and infrastructure to support the economical development of broadband communications in rural areas of the State	X	X		
c. Evaluate the utility of several applications where broadband communications would benefit rural areas, such as applications relating to agriculture, medicine, and education	X	X		
d. Evaluate any other matters that the Task Force considers pertinent to establishing effective broadband communications in the rural areas of the State				
Develop Goals				
a. Develop economically competitive access to broadband communications by the public and private sectors in each rural area of the State		X	X	
b. Increase the availability of broadband communications access throughout the rural areas of the State to address issues of universal service in unserved and underserved communities		X	X	
c. Development and expansion of practical applications for the enhancement of economic development, and other public benefits		X	X	
d. Develop affinities and interconnection among the governmental units in the State, educational institutions, and private industry		X	X	
e. Establish other goals that the Task Force determines to be in the public interest	X	X	X	X

Reporting Deadlines	12/15/03	1/15/04	12/1/04	6/30/05
Develop Proposals and Recommendations				
a. Review government policies for the promotion, development and economically competitive use of broadband communications	X	X		
b. Identify sources of funding and support, including leveraging of State and federal resources	X	X	X	
c. Encourage private and public participation in the development and use of broadband communications in rural areas, including demand aggregation and resource leveraging to enhance economic and technological development	X	X	X	
d. Examining other pertinent issues	X	X	X	X
Implementation of Recommendations				
a. Implement the recommendations of the Task Force			X	X
b. Submit legislation for possible introduction in the 2004 or 2005 session of the General Assembly to implement the recommendations of the Task Force				
c. Submit budget provisions and amendments for inclusion in the State budgets for fiscal years 2005, 2006, and beyond to implement the recommendations of the Task Force	X	X	X	
d. Submit programmatic changes in State procurement and other areas that might be adopted by regulation to implement the recommendations of the Task Force	X	X	X	

In Addition,	12/15/03	1/15/04	12/1/04	6/30/05
a. DBED, in assisting the Task Force, is strongly encouraged to identify existing and potential demand in underserved rural areas of the State, in consultation with local government officials, businesses, and existing regional and local consortia involved with high-tech economic development. In addition, the Task Force asks DBED to take a pivotal role in coordinating educational outreach to small and medium sized businesses in rural areas to ensure that they minimize their communications costs. ➢ At the January 6, 2004 Task Force meeting a motion was made to explore the feasibility of aggregating demand for private sector and public sector rural broadband networks to create peering relationships in their respective points of presence. This may include the use of networkMaryland, SAILOR, AllCoNet2, UMATS and Internet2. As an example, the Baltimore Education Research Network (BERnet) is a model that may be used in rural regions. ➢ Additional research conducted by TLA Associates and TEDCO has revealed that competitive T-1 pricing does exist in most of rural Maryland today. However, access to this optimal pricing is not well known and the Task Force believes that local and regional economic development officials can play a critical role in ensuring that businesses are receiving the most competitive pricing available.				
b. DBM, in assisting the Task Force, is strongly encouraged to explore expansion of high-speed telecommunications transmission capacity, including fiber-optic cable and competing technologies… associated with State and local economic development, by expansion of the State backbone and network... or through other public-private cooperation with commercial providers, and is strongly encouraged to explore alternative models for delivering these services in underserved rural areas				
c. DBED, in consultation with DBM and in coordination with recommendations of the Task Force, is strongly encouraged to facilitate the expansion of high-speed communication services and facilities into underserved areas of the State by matching existing and significant potential demand with private and public providers of these services and facilities				